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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration
Washington 25, D. C.



January 1, 1943

ADMINISTRATIVE SERVICES DIVISION MEMORANDUM NO. 12

TO: Administrative Officers and Chiefs of Regional Administrative Services Divisions

FROM: F. J. Hughes, Chief, Administrative Services Division

SUBJECT: Field Space

SECTION I - GENERAL

- A. The purpose of this Memorandum is to provide procedure governing the securing of space for the offices and laboratories located in the field, and the handling of related matters.
- B. All matters relating to space will be handled by the field offices through the Regional Administrative Services Division. No field officer may make any final commitments affecting a space transaction without specific authority to do so.
- C. The responsibility for handling all matters required from the Washington end with respect to field space is vested in the Procurement Section of the Division. With the exception of the initial approval of the acquisition of space and policy matters, the documents and correspondence relating thereto may be signed by the Chief of the Section.
- D. The AMS or SMA forms mentioned herein will be used until the present stocks are exhausted or until such time as new forms are devised and made available for issue.
- E. In addition to the instructions contained in this Memorandum, the field officers concerned with the handling of space matters should familiarize themselves with paragraphs 1112, 1711, 1712, 1741, 3117, 3311 to 3317 inclusive, 3321 to 3324 inclusive, 3331 and 3332 of the Department Regulations.

SECTION II - PLANNING SPACE REQUIREMENTS

- A. Before taking any action to lease space, the officer in charge of the field office must make inquiry of the Postmaster or Custodian, or the Federal Business Association, as to whether suitable and sufficient space is, or can be made available in a local Federal build-

ing or Federally rented building. If sufficient space is not available the local Postmaster, Custodian or Federal Business Association should be requested to submit a signed statement that no Federal space of sufficient amount is available or can be made available.

- B. In some instances, field officers may find that the local chamber of commerce will be able to make arrangements for free space if requested.
- C. The officer should carefully plan his requirements for the field office. An overall average of approximately 75 square feet per person, including files, desk, chairs, supplies, etc., is considered adequate in arriving at space needs. The space should not be divided into any more rooms than is absolutely necessary for efficient operation. A private office of around 200 to 225 square feet for the officer in charge will be permissible when necessary but no other private offices will be allowed except in unusual circumstances and then only upon specific approval. Whenever possible, the clerical force should be grouped in a single room. In planning a layout for laboratory space consideration should be given to requirements for adequate natural light (skylight or north light if necessary), gas facilities and additional electric facilities; facilities for washing laboratory equipment if necessary, etc. A complete canvass of the space situation in the locality should also be conducted in planning the space requirements.

SECTION III - COMPETITION

- A. Formal competition is required in all cases, except where formal competition is impossible as in the case of required stockyard locations, where (a) the total cost will exceed \$50.00 during any fiscal year; (b) where the current lease does not contain a renewal option or permit of further renewal, or it is not desired to exercise the renewal option; or (c) the prerenewal canvass discloses that other suitable space is available at a lower rental rate, considering the cost of moving, than the figure specified in the renewal option or the reduced figure, if any, granted by the present landlord. (See SECTION XXVI)
- B. The fact that the preliminary canvass may disclose only a single location available does not eliminate the necessity of securing formal competition. The Comptroller General has held that the only logical basis for determining the existence of a single source of supply is through the formal solicitation of bids.

SECTION IV - SPECIFICATIONS

- A. The specifications will be prepared in the Regional Administrative Services Divisions on U. S. Standard Form 33 (Revised), "INVITATION, BID AND ACCEPTANCE," and should follow the general outline of the sample attached, for securing space in their respective regions and sent to proper field locations for handling.

- B. The specifications must be as specific as possible and drawn in such a manner that they will not be restrictive or preclude the possibility of property owners or agents from bidding that might otherwise have suitable space available. They must not be drawn around some particular space found available as the result of a preliminary canvass, as such action may make it necessary to cancel all bids received and to issue a readvertisement.
- C. The specifications should state the approximate date the space should be available and the period required. The terms of any lease, however, may not extend beyond the end of the fiscal year unless funds have been appropriated by Congress for the succeeding fiscal year. In such case, the lease may be made effective toward the close of one fiscal year and run to the end of the following fiscal year.
- D. The specifications should indicate the approximate number and size of rooms and the approximate total net square feet of space required. Except in unusual cases, it is not considered advisable to state definite maximum or minimum requirements as prospective bidders often are in a position to offer space within a few square feet more or less of the required area or one or two more or less rooms. The total net square feet of space required should be carefully considered as, generally, bids offering space which is more than ten percent (10%) less than specified in the invitation are not considered to meet the specifications and could not, therefore, be accepted. The inclusion of mandatory requirements should be avoided insofar as possible, as they frequently lead to difficulties and may delay the securing of space or result in the issuing of a readvertisement. Any additional requirements other than those stated in the sample, such as the following, should be included at the appropriate points:
 - 1. Acceptable area for location of building or premises, if it is imperative that the office be located in close proximity to certain trade interests, the Post Office, or to some other particular point.
 - 2. Any extraordinary requirements, such as good, unobstructed, north light for analytical work, skylights for cotton classing laboratories, gas or electric facilities, etc.
- E. Where it is definitely known that the annual rental rate will not be in excess of \$2,000.00 the paragraph in the sample invitation with reference to the fair market value should be omitted.

SECTION V - INVITATION FOR BIDS

- A. Copies of the invitation should be sent to a sufficient number of building owners, building managers, real estate operators, or other interested parties, including the present landlord when applicable, so as to insure the development of the lowest available price for suitable space. The owner or agent of a building should not be

excluded merely because it is thought that he has no space available or would not be interested in submitting a bid. Section 3709 of the Revised Statutes requires that full and complete publicity be given to an invitation and all prospective or qualified interested parties be given an opportunity to bid. If for any reason it is not possible to send copies of the invitation to at least three owners or agents, the bid case must be supported by an explanatory statement for the failure to do so.

- B. A copy of the invitation must also be posted in some public place, preferably in a conspicuous place in the lobby of the local Post Office Building, and an indication made on the abstract as to where such copy was posted. If the posting is not made, the reasons therefore must be furnished.
- C. Where it is anticipated that the rental rate may exceed \$5,000.00 per annum, newspaper advertising for the space needs shall be made. However, an advertisement may not be published in a newspaper without specific written authority from the Regional Administrative Services Division. If a complete and thorough canvass of all available space has been conducted or for other justifiable reasons it is not believed newspaper advertising will serve any useful purpose, a request to waive the requirement may be submitted. For further information on newspaper advertisements, refer to Department Regulation No. 3322.
- D. There should intervene between the date of the issuance of the invitation and the date of the opening a minimum of 10 days, but preferably longer if time will permit, to give prospective bidders ample time to study the specifications and assemble the necessary data required. In an emergency this period may be shortened, provided it can be justified and a statement is submitted outlining the emergency.
- E. A plain, addressed envelope (not franked return envelope) in which to submit his bid should be furnished with the invitation to each prospective bidder. The envelopes should be marked in the lower left-hand corner, for example: "Bid for space - opening date 2:00 p.m., May 1, 1943."

SECTION VI - OPENING OF BIDS

- A. The bids received should be held and opened publicly at the time and place specified in the invitation, and tabulated on Form SMA-1038 until the present supply is exhausted or until such time as a new form is available. No bid should be opened before the time set for opening. In case a bid is inadvertently opened because it was not properly marked, it must be held in absolute confidence until the opening date. The envelope containing each bid shall be time-stamped upon receipt to indicate the date and hour of receipt. IMPORTANT: The envelope is to be attached to the bid and made a part of the file.

- B. The bidders, and others who may have an interest in the matter, may be present at the bid opening and may inspect any or all bids submitted, but may not withdraw or alter their bids.
- C. The tabulation or abstract of bids must also include the names and addresses of any prospective bidders who were furnished with copies of the invitation but failed to submit bids.

SECTION VII - LATE BIDS

- A. Bids delivered by messenger or in person after the time set for opening cannot be considered in any case and should not be accepted. Likewise, bids received after the time set for opening where envelopes show clearly by the postmark that they were not mailed in sufficient time to have ordinarily been received are not for consideration.
- B. Bids received after the time set for opening which show clearly by the postmark that they were mailed in sufficient time but the delay in receipt was due to a delay in the mails must be given consideration.
- C. Late bids received by mail, which are not for consideration, should be returned unopened with a letter of explanation. However, before returning any bids received through the mails, the field officer should ascertain through the local postmaster whether the bid was actually mailed in sufficient time to have been delivered before the time set for opening.
- D. Bids are not for consideration where the bidder fails to affix sufficient postage, but such bids are to be turned over to the local Postmaster for disposition in accordance with Postal Regulations.

SECTION VIII - ALTERATIONS OR ERRORS IN BIDS

- A. Bidders may not be allowed to make any change or alteration whatsoever in their bids after the date and hour set for the opening.
- B. Any errors, even though they may be quite obvious to the field officer are for consideration in the Washington office only. Should any bidder claim an error or mistake in his bid, he should be requested to submit a signed statement outlining in detail the circumstances. The statement will be forwarded to Washington through proper channels along with any other facts that may be pertinent to the bidder's claim.

SECTION IX - EXAMINATION OF BIDS AND PREMISES OFFERED

- A. Each bid should be checked for compliance with specifications and whether it has been properly completed.
- B. The officer in charge should make a personal inspection of the premises offered by the various bidders, especially of those offered at the lowest rental rate, to determine if the space meets the specifi-

cations and the requirements of the office.

- C. It should be determined from actual measurements or from authentic architectural drawings if the space offered coincides with the actual area. The measurements should be based on the net usable area offered, and public hallways, closets, stairways, toilets, etc., are therefore to be excluded.

SECTION X - FAIR MARKET VALUATION

- A. Section 322 of the Economy Act of 1932, as amended, provides that an annual rental rate in excess of \$2,000.00 shall not exceed 15% of the fair market value of the leased premises as of the effective date of the lease.
- B. If the rental rate for premises to be leased will exceed \$2,000.00 per annum, the bidder will be required to establish the fair market value of his property, including both the building and the land on which it is situated. The evidence shall not be limited to unsupported conclusions of the owner or agent, but must be verified by those acting for the Government and supported to the extent necessary to establish the rental rate to be within the limitation fixed by the Economy Act.
- C. In determining the fair market value, a signed statement should be obtained from the local tax assessor's office, setting forth the current assessed value to the property and the ratio or percentage at which local property is required by law to be assessed in relation to its full fair market value. In event of failure to secure such a statement from the assessor, the reason must be given.
- D. If the latest tax assessment and the ratio to the full market value are not obtainable or obviously do not reflect the current market value of the property, thereby rendering their use impractical as a means for establishing the fair market value, other means of determining the fair market value may be used, such as obtaining at least four statements from disinterested banks, trust companies, insurance companies, real estate appraisers, real estate firms, and other reputable and reliable sources. Statements from other than recognized qualified appraisers should be supported by a statement from the local Chamber of Commerce as to the qualifications of those submitting the statements to appraise real property.
- E. In determining whether the annual rental rate is in excess of 15% of the fair market valuation of the premises, the value of services (such as heat, light, water, janitor, watchman, elevator, etc.) furnished as a part of the rental consideration may be deducted or separated from the rental proper in order to determine the net amount being expended under the lease for rental of the bare premises, devoid of

the cost of services. The limitation applies only to the rental for the bare premises and not the overall rental consideration. The cost of such items as taxes, insurance, repairs, etc., are not for consideration and may not be included in the value of services.

- F. If the Administration will not occupy the entire building, the ratio of the space to be occupied by the Administration to the total net rentable space in the building should be applied to the fair market value of the building in determining the fair market value of the space proposed.
- G. In event of partial occupancy of a building and rentable space is available in the basement, proper consideration should be given to such space if necessary in determining the fair market value. As a general rule, the fair market value of basement space is only about 30% to 50% of the value of space on the upper floors. If the basement, for example, contains, 1,000 square feet of net rentable floor space valued at 50% of the space on the upper floors, such space should be considered at 500 square feet and added to the total net rentable space on the other floors. This method of consideration will increase the fair market value of the space leased and may make it possible in some instances (where the margin is close) to fall within the limitation.
- H. The field officer should complete Form SMA 1044 "FAIR MARKET VALUE STATEMENT", in triplicate.

SECTION XI - RECOMMENDATION FOR AWARD

- A. If recommendation is to be made for acceptance of the lowest bid received, this fact will be set forth in the letter of transmittal. The lowest bid submitted is always for acceptance unless it fails to meet the specifications or the needs of the office.
- B. If other than the lowest bid is recommended for acceptance, there shall be furnished a separate statement of the reasons therefor. Such recommendation must be based on facts - rather than suppositions or generalities - and fully justified.
- C. In determining the lowest bid, the cost of essential services required may be taken into consideration. For example, if bidder (a) offers suitable quarters with heat at an annual rental of \$525.00 and bidder (b) offers satisfactory space without heat at a rental rate of \$500.00 per annum, but it would cost more than \$25.00 to heat the premises offered under the bid of the latter, the space offered by bidder (a) would result in the lowest net cost to the Government and must therefore be accepted.

SECTION XII - TRANSMITTAL OF BID FILE

- A. Within 48 hours (excluding Sundays and holidays) after the bid opening, the officer in charge should mail to his Regional Administrative Services Division, the bid docket consisting of the following:
1. Letter of transmittal, explaining the transaction and including recommendation.
 2. Abstract of bids received, which should consist of an original and one copy on Form SMA-1039.
 3. Two completely filled-in copies of Form AMS-24 or Form SMA-1040.
 4. All bids received or declinations to bid, with envelopes attached.
 5. Two copies of the floor plan covering the space offered under each bid.
 6. Certificate, in duplicate, from the local Federal Business Association or Postmaster or Custodian of Federal building setting forth that no space is available in a Federal or Federally-rented building.
 7. Statement of fair market value of the recommended premises, if the rental consideration is in excess of a rate of \$2,000.00 per annum.
 8. Evidence of authority of bidder on recommended bid to act for the principal, if bidder is acting in capacity other than as principal: for example, power of attorney, if an agent; instrument showing trusteeship; court order authorizing execution of leases, if an administrator or executor, except in the latter case, a certified copy of the Will will suffice if it gives the executor power to negotiate leases.
 9. Seven extra copies of the specifications or invitation for bids, which should not be conformed.

SECTION XIII - ACTION OF REGIONAL ADMINISTRATIVE SERVICES DIVISION

- A. The Regional Administrative Services Division will check the bid docket for completeness and correctness and, if necessary, take action to correct or adjust any deficiencies.
- B. If the bid docket is complete and apparently satisfactory, the Regional Administrative Services Division will have the transmittal letter of the field officer stamped with the appropriation and symbol number and initialed by the Regional Fiscal Division to indicate that necessary funds are available.

- C. The entire file will then be transmitted to the Administrative Services Division in Washington for consideration and processing.
- D. If the recommended bidder allows but a relatively short period of time for the acceptance of his bid, the Regional Administrative Services Division should request an extension of time from the bidder and forward it as soon as possible to the Chief of the Administrative Services Division in Washington.

SECTION XIV - PREPARATION AND EXECUTION OF LEASE

- A. The processing of the bids and preparation of any other necessary supporting statements will be handled by the Procurement Section, after approval of the recommended bid by the Chief of the Administrative Services Division, with the Lease Section of the Real Estate Division, Office of Plant and Operations.
- B. The original and one carbon copy of the proposed lease will be forwarded, with appropriate instructions, by the Procurement Section to the proper Regional Administrative Services Division for execution by the lessor. If the proposed lease is not executed and returned by the lessor within a reasonable period of time, the Regional Administrative Services Division and/or the field officer shall follow up the matter.
- C. After execution by the lessor, both copies of the proposed lease will be returned to the Procurement Section for forwarding to the Office of Plant and Operations for final execution on behalf of the Department.

SECTION XV - DISTRIBUTION OF COPIES OF LEASE

- A. When the lease has been executed on behalf of the Department, the signed carbon copy and three conformed carbon copies will be forwarded to the appropriate Regional Administrative Services Division. The signed copy is to be transmitted to the lessor, one copy retained by the Regional Administrative Services Division, one copy forwarded to the Regional Fiscal Division, and the fourth copy forwarded to the appropriate field office.
- B. The original (ribbon) executed copy will be filed with the General Accounting Office through proper channels by the Procurement Section and one copy will be retained by the Section.

SECTION XVI - TOTAL RENTAL \$50.00 OR LESS

- A. Formal competition is not required when the total rental consideration will not exceed \$50.00 for the full period of occupancy, which shall not extend beyond the current fiscal year.

- B. The field officer must make every effort through a personal canvass to obtain suitable space at the lowest rental even though the solicitation of formal bids is not mandatory. The offers should be obtained in the form of a signed statement, setting forth the type of space offered, the area, rental, and street address.
- C. The informal quotations should be forwarded, along with the papers required under items 1, 3, 6 and 8 of SECTION XII, to the Regional Administrative Services Division.
- D. The Regional Administrative Services Division will handle the papers in accordance with the procedure outlined in SECTION XIII.

SECTION XVII - EMERGENCY RENTALS

- A. In an emergency, quarters may be leased temporarily without formal competition, but only until such time as it is possible to conduct a solicitation for formal bids and make an award thereunder.
- B. It should be determined insofar as possible that the rental is the lowest obtainable for suitable space. If the utmost care is exercised in this respect, it will minimize the chance of the office having to move to other quarters as the result of submission of a lower bid under the formal solicitation.
- C. If occupancy of the emergency space is continued under a lease entered into as a result of formal solicitation, the effective date of the lease may be made retroactive to the original date of occupancy, provided the rental conditions are identical. The occupancy prior to the date of award under the formal solicitation, however, must be supported by an appropriate exigency statement.

SECTION XVIII - INCREASING AREA OF LEASED SPACE

- A. Should it become necessary to lease additional space contiguous to existing quarters to take care of additional personnel, etc., the rental of such space without the solicitation of formal bids may be accomplished by the execution of a supplemental agreement amending the lease accordingly, providing it can be conclusively shown the additional space must, for administrative or other proper reasons, such as supervision, access to records, etc., be located contiguous to the space covered by the original lease.
- B. The additional space acquired by supplemental agreement or agreements generally may not exceed 50% of the amount covered by the original lease or the amount occupied at the beginning of each subsequent fiscal year. If the additional space required is in excess of this amount or it is not available in the same building, the field officer should proceed in the same manner as for a new lease and solicit formal bids.

- C. If the additional space is to be covered by a supplement to the existing lease, the following papers should be submitted to the Regional Administrative Services Division:
1. Letter stating necessity for additional contiguous space and number of employees to occupy such space.
 2. Floor plan of the space.
 3. Statement from the lessor agreeing to the supplement and stating the rental rate he will expect for the additional space if not otherwise provided in the lease.
 4. Two completely filled-in copies of Form AMS-24 or Form SMA 1040.
- D. The papers will be handled by the Regional Administrative Services Division in accordance with the instructions contained in SECTION XIII.

SECTION XIX - DECREASING AREA OF LEASED SPACE

- A. When less area is required by reason of reduction in personnel or otherwise, the existing lease may be modified in accordance with the terms of the lease or by mutual agreement through the execution of a supplement thereto, which will be prepared in the Washington office.
- B. The supplement reducing the amount of space under lease should provide for a proportionate reduction in rental. If the reduction is not in proportion to the area to be released, an explanation should accompany the request setting forth the reasons. A statement from the lessor agreeing to the reduction should also accompany the request unless there is a clause in the lease providing the basis for a reduction.

SECTION XX - TERMINATION OF LEASE

- A. A lease may be terminated in accordance with the provisions thereof or by mutual consent. (The lease will provide, in most cases, that 30 days' advance notice in writing must be given by the Government to the lessor.)
- B. The officer in charge will be responsible for making recommendation to his Regional Administrative Services Division at least 15 days in advance of the required date in order that a request may be submitted to the Chief of the Administrative Services Division in ample time for the preparation of a proper notice of termination and mailing to the lessor. The reason for terminating the lease must be furnished with the request.

- C. Where a lease is to be terminated by mutual agreement, and if a field officer has determined that the lease may be terminated in this manner, he should secure a statement from the lesser expressing his willingness and immediately forward it to his Regional Administrative Services Division for transmittal to the Chief of the Administrative Services Division. The proper document will then be prepared by the Washington office for execution by both parties to the lease.
- D. An office may not be moved to other quarters or to another city without prior approval from the Chief of the Regional Administrative Services Division and notice to the Chief of the Administrative Services Division.

SECTION XXI - SPACE IN FEDERAL BUILDING

- A. Request for space in a Federal building is for consideration and approval by the Public Buildings Administration, Federal Works Agency, or the Post Office Department, whichever has custody or jurisdiction over the building. The request for space in a Federal building must therefore be cleared through the Office of Plant and Operations of the Department, which serves in a liaison capacity between the Department and the Post Office Department and the Public Buildings Administration. The field officer may request from the local Postmaster or Custodian of the Federal Building a tentative assignment of space. A copy of the request should be immediately forwarded to his Regional Administrative Services Division.
- B. If space is desired in a local Federal Building, the field officer should forward a letter to his Regional Administrative Services Division, which should contain the following information:
 - 1. The purpose for which the space is needed.
 - 2. The official name and address of the building, room numbers, floor area (sq. ft.) of each room, and general suitability of the space.
 - 3. Number and status (permanent or temporary) of employees to occupy the space.
 - 4. Savings that will be effected by assignment, and if other space is at present leased or occupied in the city, citation to the lease or occupancy agreement.
 - 5. Date space is desired for occupancy.
- C. The Regional Administrative Services Division will forward the request with any other pertinent information to the Chief of the Administrative Services Division in Washington for handling.
- D. If an assignment is made, the field office will be furnished with blank forms for supplying the Washington office with certain information concerning the space.

- E. If it should become necessary to increase or decrease the space in a Federal building, a revised request should be submitted for handling in the same manner as an original request. Advance notice of a proposed release of Federal space must be given.
- F. If the field office has knowledge of the contemplated construction of a new Federal building or the addition to an existing building and the office will have future needs for space in the particular locality, the Regional Administrative Services Division should be promptly advised in order that a request for an assignment may be filed through the proper channels in Washington.

SECTION XXII - REPAIRS AND ALTERATIONS

- A. The standard form of Government lease provides that the lessor shall maintain the premises in good repair and tenantable condition during the period of the lease. The Government may not pay for renovation and repair work unless the lease exempts the lesser from doing so.
- B. Expenditures by the Government for repairs and alterations, when not required by the terms of the lease to be performed by the lessor, may be made to the extent of 25% of the rental for the first year, or for any subsequent year, or for the rental term if less than one year.
- C. In the case of nominal or free rental, the Government may meet expenses of repairs and alterations up to 25% of 15% of the fair market value of the premises.
- D. Any contemplated repairs or alterations must have the prior approval of the Administrative Services Division in Washington. The following information should be forwarded to the Regional Administrative Services Division when such a request is made:
 - 1. A detailed description of the proposed repairs and/or alterations.
 - 2. An itemized list of the materials and/or supplies required, together with the estimated cost thereof, including labor.
 - 3. The manner in which the job is to be performed; that is, by contract or by Government labor.
 - 4. A complete and detailed justification for the expenditure.
 - 5. Total expenditures, if any, previously made for repairs and/or alterations under the existing lease.
 - 6. Whether the lesser consents to the work, and, in case of alterations, will require that the premises be restored to their original condition when vacated by the Government.

SECTION XXIII - DISTRIBUTION OF RENTAL, AND REPAIR AND ALTERATION CHARGE

- A. In case more than one office is occupying space covered by the same lease, there should be prepared an allocation of the space by the offices, showing the room numbers, room areas, and the proportionate share of rental to be borne by and charged against each office.
- B. The allocation statement should be circulated among the officers in charge of the offices involved and their approval obtained thereon.
- C. The Regional Administrative Services Division will forward the original to the Administrative Services Division in Washington, route a copy to the Regional Fiscal Division, and retain a copy for its files.
- D. The same procedure should be followed with respect to repairs and/or alterations when more than one office is involved.

SECTION XXIV - SUBMISSION OF VOUCHERS OR INVOICES

- A. Claims for rent and repairs and/or alterations should be submitted by the lessor or contractor to the field officer in charge on Standard Form No. 1034 - Revised, or on the regular invoice of the lessor or contractor bearing above his signature the following certification:

"I certify that the above bill is correct and just; that payment therefor has not been received; that all statutory requirements as to American production and labor standards, and all conditions of purchase applicable to the transactions have been complied with; and that State or local sales taxes are not included in the amounts billed."

- B. Field officers should see that vouchers or invoices are submitted and forwarded promptly to the Regional Administrative Services Division. If an invoice is submitted, the field officer should prepare a voucher and attach the invoice thereto. The certification required on each voucher that services have been received should be initialed by the officer in charge.

SECTION XXV - RENEWAL OF LEASE

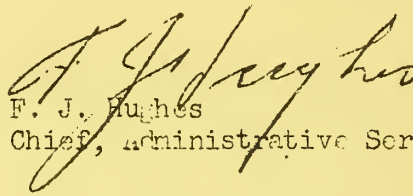
- A. A lease may be renewed for the ensuing fiscal year, if it contains an option giving the Government the right to do so, after compliance with certain requirements.
- B. If a lease is subject to renewal by the Government in accordance with the terms thereof, a prerenewal canvass of all buildings likely to have space must be conducted in order to determine whether any other suitable space is available at a lower rental than the figure specified in the renewal option or the reduced figure, if any, granted by the present landlord. The lessor must therefore be approached on the subject prior

to making the prerenewal canvass and the results of the inquiry included in the recommendation statement of the field officer.

- C. If the prerenewal canvass discloses the possibility of obtaining other suitable space at a lower cost to the Government, after consideration of the expense for moving to other quarters, it will be necessary to secure formal competition and the field officer should proceed in the same manner as for a new lease.
- D. The results of the prerenewal canvass should be reported on Form AD-258, in triplicate. Complete information should be furnished as to the owners or rental agents and the names or addresses of the buildings canvassed, description of the space, if any, offered, and the rental rate quoted in each instance, including the services offered as a part of the rental consideration.
- E. The lease will usually require that 30 days' notice in writing be given to the lessor in the event the Government elects to renew the lease. Therefore, unless a longer period is required by the terms of the lease, the field officer should begin the prerenewal canvass on, or immediately subsequent to, April 15 of each year, but not prior to that date. The prerenewal canvass should be conducted and the papers forwarded as promptly as possible and in no case later than May 5.
- F. The following papers should be forwarded by the field officer to his Regional Administrative Services Division:
 - 1. Letter requesting renewal of the lease and including any pertinent information relative to the prerenewal canvass, or comments regarding the space offered in other buildings.
 - 2. Form AD-258, in triplicate, covering the results of the prerenewal canvass.
 - 3. Certificate, in duplicate, from the local Federal Business Association, or Postmaster, or Custodian of the Federal building setting forth that no space is available in a Federal or Federally-rented building.
 - 4. Statement of fair market valuation of the premises, if the rental consideration is in excess of a rate of \$2,000.00 per annum.
- G. The Regional Administrative Services Division will check the file as to its completeness and if apparently satisfactory, will forward it to the Chief of the Administrative Services Division in Washington.
- H. After preparation in Washington, the original of the notice of renewal will be mailed directly to the lessor. The additional copies of the notice of renewal will be distributed in the same manner as the extra copies of a lease.

SECTION XXVI - EXTENSION OF LEASE FOR ANOTHER YEAR

- A. Under a decision of the Comptroller General, a lease which does not contain a further option to renew may, nevertheless, be renewed where such renewal is agreeable to the lesser and it is demonstrated that such continued occupancy would be to the advantage of the Government. (16 Comp. Gen. 931.)
- B. The procedure outlined in connection with the renewal of a lease should be followed.
- C. The extension of a lease will not be looked upon favorably unless it is clearly demonstrated that a thorough and complete canvass has been conducted and the solicitation of formal bids would serve no useful purpose.


F. J. Hughes
Chief, Administrative Services Division

INVITATION, BID, AND ACCEPTANCE

(SHORT FORM CONTRACT)

U. S. DEPARTMENT OF AGRICULTURE, AGRICULTURAL MARKETING ADMINISTRATION, *

(Department or establishment)

(Office or station)

(Address)

(Date)

INVITATION

Sealed bids, in single copy subject to the conditions on the reverse hereof, will be received at this office until 2:00 o'clock P. m., S. T. 194*, and then publicly opened, for furnishing the following supplies, and/or services, for delivery at XXXXXX use at (See below) *

(Name)

(Title)

ITEM No.	ARTICLES OR SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT	
					Dollars	Cents
	The Government desires bids on office space in accordance with the requirements set forth in this invitation. Bidder will fill in all information requested so that there will be no misunderstanding on the part of the bidder or the Government as to the location, etc., of space, or as to the terms under which the space is offered for rental. This bid, if accepted, will be made a part of the resulting lease.	Total Net Usable Office Space (Sq. ft.)			\$	
1.	Approximately * square feet of net usable office space (exclusive of public halls, corridors, toilets, columns, closets, etc.) in one building of a fire-resisting type, at city *, State *, for occupancy on approximately * 19 *; space to be suitable for modern offices, with natural light and ventilation adequate for normal office purposes, preferably to consist of:					
	(a) * room(s) of approx. * sq. ft.	Room No.	Area		Monthly Rent	
	(b) * room(s) of approx. * sq. ft.				\$	

BID

In compliance with the above invitation for bids, and subject to all the conditions thereof, the undersigned offers, and agrees, if this bid be accepted within _____ calendar days from the date of the opening, to furnish any or all of the items upon which prices are quoted, at the price set opposite each item, delivered at the point(s) as specified and, unless otherwise specified within _____ calendar days after receipt of order.

Discounts will be allowed for payment as follows: _____ percent 10 calendar days; _____ percent 20 calendar days; _____ percent 30 calendar days.

Bidder _____ Address _____

By _____ Title _____
(Signature of person authorized to sign this bid)

ACCEPTANCE BY THE GOVERNMENT

Accepted as to items numbered _____

Name _____ Title _____

CONDITIONS

1. The Government reserves the right to reject any or all bids, to waive any informality in bids and, unless otherwise specified by the Government or by the bidder, to accept any item in the bid. In case of error in the extension of prices in the bid, the unit prices will govern.

2. Time, in connection with discount offered, will be computed from date of the delivery of the supplies to carrier when final inspection and acceptance are at point of origin, or from date of delivery at destination or port of embarkation when final inspection and acceptance are at those points, or from date correct bill or voucher properly certified by the contractor is received if the latter date is later than the date of delivery.

3. In case of default of the contractor, the Government may procure the articles or services from other sources and hold the contractor responsible for any excess cost occasioned thereby: *Provided*, That if public necessity requires the use of materials or supplies not conforming to the specifications they may be accepted and payment therefor shall be made at a proper reduction in price.

4. If the contractor refuses or fails to make deliveries of the materials or supplies within the time specified, or any extension thereof, the Government may by written notice terminate the right of the contractor to proceed with deliveries or such part or parts thereof as to which there has been delay. In such event, the Government may purchase similar materials or supplies in the open market or secure the manufacture and delivery of the materials and supplies by contract or otherwise, and the contractor and his sureties (if any) shall be liable to the Government for any excess cost occasioned the Government thereby: *Provided*, That the contractor shall not be charged with any excess cost occasioned the Government by the purchase of materials or supplies in the open market or under other contracts when the delay of the contractor in making deliveries is due to unforeseeable causes beyond the control and without the fault or negligence of the contractor, including, but not restricted to, acts of God or of the public enemy, acts of the Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather, and delays of a subcontractor due to such causes, unless the contracting officer shall determine that the materials or supplies to be furnished under the subcontract are procurable in the open market, if the contractor shall notify the contracting officer in writing of the cause of any

such delay, within 10 days from the beginning thereof, or within such further period as the contracting officer shall, with the approval of the head of the department or his duly authorized representative, prior to the date of final settlement of the contract, grant for the giving of such notice. The contracting officer shall then ascertain the facts and extent of delay, and his findings of fact thereon shall be final and conclusive on the parties hereto, subject only to appeal within 30 days by the contractor to the head of the department concerned or his duly authorized representative, whose decision on such appeal as to the facts of delay shall be final and conclusive, on the parties hereto. As used herein "head of the department" means the head or any assistant head of the executive department or independent establishment involved, and "his duly authorized representative" means any person authorized to act for him other than the contracting officer; and the term "contracting officer" shall include his duly appointed successor or his authorized representative.

5. No Member of or Delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this contract or to any benefit that may arise therefrom unless it be made with a corporation for its general benefit.

6. Prices bid herein include any Federal tax heretofore imposed by the Congress which is applicable to the material on this bid. If any sales tax, processing tax, adjustment charge, or other taxes or charges are imposed or changed by the Congress after the date set for the opening of this bid, and made applicable directly upon the production, manufacture, or sale of the supplies covered by this bid, and are paid by the contractor on the articles or supplies herein contracted for, then the prices named in this bid will be increased or decreased accordingly, and any amount due the contractor as a result of such change will be charged to the Government and entered on vouchers (or invoices) as separate items.

7. Unless otherwise specified by the bidder, it is understood and agreed that only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States shall be delivered pursuant to a contract awarded as a result of this bid.

INSTRUCTIONS TO BIDDERS

1. Samples of items, when required, must be furnished, free of expense, prior to the opening of bids, and, if not destroyed, will, upon request, be returned at the bidder's expense.

2. Prices should be stated in units of quantity specified, with packing included.

3. Time of proposed delivery must be stated in definite terms. If time varies for different items the bidder shall so state.

4. Envelops containing bids must be sealed and marked on the upper left-hand corner with the name and address of the bidder and the date and hour of opening, and addressed as instructed.

5. For further instructions read U. S. Standard Form 22 (Instructions to Bidders).

INSTRUCTIONS TO CONTRACTING OFFICERS

1. If shipment is made by Government bill of lading, observe consolidated classification requirements so as to secure the lowest rate applicable.

2. Although this form meets the requirements of a formal contract (R. S. 3744), if the execution of a formal contract with bond is contemplated U. S. Standard Forms 31 and 32 should be used.

3. If there is not sufficient space on the schedule to list all of the items, insert at the bottom of the schedule "Continued on ----- sheets of U. S. Standard Form 36", and use that form also.

4. If it is definitely known that final acceptance cannot be accomplished within 10 or 20 days from date of delivery due to necessity for tests or analyses which cannot be accomplished within that time, delete, before issuance, the discount provision relating to 10 calendar days or to both 10 and 20

calendar days. The provision relating to discounts may also be deleted when funds do not become available so that payment may be made within such time limits.

5. If the contract is likely to involve patent liability, the article on patents as contained in U. S. Standard Form 32 should be used.

6. If the contract provides for liquidated damages, the above Condition No. 4 should be deleted and there should be substituted therefor the article entitled "Delays—Liquidated Damages", quoted in Paragraph 5 of the directions on page 6, U. S. Standard Form 32, modified as follows: Delete "in Article 1", line 2, and if no bond is required, delete "and his sureties", lines 6 and 10; add the last sentence (definitions) of the above Condition No. 4.

The following facilities are required: For adequate heating; for adequate electrical illumination; for operation of ordinary office machinery equipment and fans (electrical outlets); toilet facilities; for running water; elevator service if the space is located above the third floor.

The offices shall be equipped with suitable and adequate electrical fixtures for artificial illumination to provide from 12 to 20 foot candles of light, maintained in service, at desk height in all portions of the office space.

Bidder will state whether the following facilities and services are furnished at no additional cost to the Government by writing "Yes" or "No" after each, along with necessary comments. Facilities and services offered may be taken into consideration in making award:

Heat

Heat of at least 72°F. when the outside temperature is 65° or less, unless the maximum temperature permissible in the premises is required to be less by some duly constituted regulatory authority and in which event the minimum temperature of the premises occupied shall be the maximum allowed.

Electric Current

State whether direct or alternating current and cycles

Daily janitorial and char service

Cold running water

(Where available)

Hot running water

(Where available)

Shades, venetian blinds, or awnings for windows which are subject to direct sunlight. (Which)

Soap and towel service

(Where available)

Window cleaning service (at least quarterly)

Electric bulbs

Initial supply

Replacement thereof

Drinking Water

Is it hydrant or water cooler?

Where located?

Suitable floor covering (e.g. linoleum, asphalt tile, carpet, etc.)

Indicate type

Bases for electric fans

In the initial preparation of the space prior to occupancy, the successful bidder may be required to erect or take out partitions or install electrical convenience outlets without additional cost to the Government, if these installations or change be necessary in fulfilling the requirements of these specifications. (Bidder will indicate the alterations he will make.)

Walls, ceilings and floors shall be in good condition, clean, painted, and/or covered, so as to render a suitable appearance for the intended office purposes.

Bidder will furnish with his bid two copies of a substantially accurate floor plan showing dimensions of space, room areas, location of doors, windows, etc.

The successful bidder shall enter into a formal lease on U. S. Standard Form No. 2 (Revised) covering the period beginning with the date of occupancy and ending June 30, 194 *. (Officer in charge must insert end of current fiscal year.)

The Government shall have the right to renew any lease resulting from this bid from year to year until June 30, 194 *, (Officer in charge must insert extent of renewal privilege desired) under the same terms and conditions as the original lease; PROVIDED notice be given in writing to the lesser at least thirty (30) calendar days before the lease, or any renewal thereof would otherwise expire; PROVIDED that notice shall be computed from the date of mailing; PROVIDED FURTHER, if the bidder is unwilling to renew for the above period, he shall indicate that no renewal of the resulting lease shall extend the period of occupancy of the premises beyond June 30, 194 _. (Bidder to insert date.)

The Government shall have the right to terminate the resulting lease at any time during any month of the term of said lease or during any month of any renewal thereof, upon thirty (30) calendar days' notice in writing to the lesser, such notice to be computed from date of mailing.

The Government shall have the right at any time during the lease or renewal thereof to increase, if space is available, or decrease up to approximately 25% of the space under lease without in any way affecting the other terms and conditions of the lease or renewal thereof, except as to the rental paid thereunder. Rental reductions or increases shall be made in proportion to the amount of rental based upon the amount of space herein specified; however, individual rooms must be terminated or added in entirety and not a fractional part thereof. If the bidder is unwilling to allow increase or decrease of space as specified, he will indicate the percentage of increased or decreased space that he will allow:.....
.....
.....

Fair Market Value: If the annual rental rate exceeds Two Thousand Dollars (\$2000.00) the bidder may be required to establish the fair market value of the building within which the space offered is located, including an evaluation of the costs of service (such as heat, light, janitor, etc.) furnished as a part of the rental consideration and a statement from the local tax assessor's office setting forth the assessor's valuation of the property in question and the ratio at which local property is required by law to be assessed in relation to its full fair market value.

If the ownership of the property in which the space is located is held by other than the person signing the bid, adequate formal evidence of authority for the bidder to act for the principal and absolute identity of the principal must be furnished by the bidder upon the request of the contracting officer.

Any lease resulting from this bid shall provide for payment by the Government for only net usable space, exclusive of stairways, public corridors, toilets, columns, partitions, hallways, closets, etc.

The successful bidder shall comply with all codes and ordinances relating to the operation of office buildings in the city in which the space is located.

Section 143(b) of the Revenue Act of 1936, as amended (49 Statute 1701), provides for the withholding of taxes at the source when making payments to a non-resident

alien. If the bidder is an alien and not a resident of the United States, such facts must be stated below, indicating the country within which he resides.....
.....
.....

The payment of rental will be made at the conclusion of each month, as promptly as possible after the presentation to the Agricultural Marketing Administration of properly executed vouchers.

Bidder to state immediately below a comprehensive description of the space offered, setting forth the location of the space in the building, the name and address of the building, type of construction, number of floors in the building, and any special features not required by these specifications, such as free use of storage space, vaults, parking space, conference rooms, etc.

NOTE TO FIELD OFFICERS

In duplicating this "Invitation" for use, if it is necessary to use Standard Form No. 36 as a continuation sheet for Page 1, the specifications should be typed in column entitled "ARTICLES OR SERVICES" rather than across the page as above. Mimeograph or plain paper should be used for all succeeding pages, which should be printed back to back. Care should be exercised to see that all places indicated with an asterisk (*) are properly completed.

